GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3250
ANSWERED ON:19.12.2008
UNCLAIMED DIVIDEND
Patel Shri Kishanbhai Vestabhai

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether several crores of rupees on account of unclaimed dividend have been received by the Government from the companies during 2006-07 and 2007-08 so far;

(b) if so,the details thereof;

(c) whether unclaimed money is deposited in the Investor Education and Protection Fund (IEPF) after a certain period of waiting time;

(d) if so,the details thereof;

(e) whether the Government proposes to reduce this waiting time for such unclaimed funds;

(f) if so,the details thereof and if not, the reasons therefor; and

g) the manner in which such unclaimed funds are being utilised during the waiting period?

Answer

THE MINISTER OF CORPORATE AFFAIRS(SHRI PREM CHAND GUPTA)

(a) Yes,Sir.

(b) The amounts deposited into the Investor Education and Protection Fund during the years 2006-07 and 2007-08 are as under:

Financial Year	Amount deposited(Rupees in Crore)
2006-07	15.04
2007-08	24.36

(c) Yes,Sir.

(d) As per the proviso to Section 205C to the Companies Act,1956 the amounts pertaining to unpaid dividends,application moneys for allotment of securities and due for refund,matured deposits and debentures shall form part of the Fund if they have remained unclaimed and unpaid for a period of seven years from the date they became due for payment.

(e) No, Sir.

(f) The Government considers the waiting time prescribed in the Companies Act, 1956 as appropriate.

(g) The unclaimed dividend is required to be transferred to a special dividend account to be opened by the company in a scheduled bank within a period of seven days from expiry of thirty days from the date of declaration of dividend.This money is utilised by the company for settlement of any claim up to a period of seven years after which the unclaimed balance is transferred to the IEPF.